Why Industry Self-Regulation Matters — And When It Actually Works

How a Standards-Based, Third-Party Verified Model Supports Safety, Regulatory and Compliance

At its core, industry self-regulation means this: the industry helps define what "safe, compliant, and responsible" looks like—before someone else does it for them.

Self-regulation does not replace government regulation. It exists on the same continuum. When done well, it:

- Supports enforcement agencies with limited resources
- Creates consistency and clarity for employers and workers
- Gives regulators enforceable, technically credible benchmarks
- Demonstrates good-faith accountability

When done poorly—when standards are weak, enforcement is optional, or programs exist only for appearances—it backfires. Trust erodes. Regulations tighten. Litigation rises. Everyone pays more.

Across industries, success or failure comes down to the same factors: motivation, governance, credibility, transparency, and enforcement.

What Pushes Industries to Self-Regulate

Industries rarely volunteer to regulate themselves without pressure.

Sometimes government oversight can't keep up. Forestry and fisheries faced collapsing resources and inconsistent global enforcement and realized that without collective action, their industries would not survive.

Other times, regulations are approaching quickly. In those cases, self-regulation becomes a way to shape effective solutions rather than react to rigid mandates.

And sometimes a crisis forces change:

- After Three Mile Island, the nuclear industry formed the Institute of Nuclear Power Operations (INPO) to define and monitor safe plant operations.

- After Bhopal, the chemical industry launched the *Responsible Care* program to set global safety and environmental standards.

The lesson was clear: inaction was no longer an option.

Industry Case Studies: What Works—and Why

Forestry — Forest Stewardship Council (FSC)
Reference: Forest Stewardship Council, Governing Through Markets

When governments failed to agree on global forest protections, the forestry industry stepped in. FSC established:

- Consensus-based sustainability standards
- Independent third-party certification
- Public reporting and transparency
- Balanced governance (environmental, social, and economic stakeholders)

What made FSC effective wasn't goodwill—it was market pressure. Retailers like Home Depot and Lowe's prioritized FSC-certified wood, creating economic incentives for compliance.

Benefit: Self-regulation worked when certification was tied to market access and verified by third parties.

Fisheries — Marine Stewardship Council (MSC)

Reference: UN FAO Guidelines for Fisheries Certification Programs

Facing declining fish stocks, the fishing industry aligned self-regulation with international standards, scientific review, and independent audits.

Early challenges came from aiming messaging at consumers instead of major retailers.

Benefits learned:

- Adoption happens through supply-chain leverage
- Monitoring and enforcement must be continuous
- Labels only matter if credibility is enforced

Scaffold & Access Equipment — ANSI + OSHA Integration

References: ANSI A92, ANSI A10, ANSI Z535; OSHA General Duty Clause

Scaffolds, aerial lifts, scissor lifts, and fall protection are governed by ANSI consensus standards developed by manufacturers, contractors, labor, safety professionals, and regulators.

These standards define:

- Safe use and limitations
- Mandatory operator training
- Inspection and maintenance
- Employer vs. worker responsibility

OSHA references these standards directly, allowing enforcement without rewriting technical rules. Industry defines safe use. OSHA enforces it.

Benefits:

- Clear expectations
- Standardized training
- Reduced ambiguity during inspections

Controlled Access & Training — "You Can't Buy This Without It"

Scaffold and access equipment also demonstrate how industry controls risk upstream:

- Operators must be trained and documented
- Rental companies require proof of certification
- Employers must verify competency

This is industry-enforced accountability, not government micromanagement.

Benefit: Unsafe practices are prevented before exposure occurs.

Third-Party Auditing Across Industries

References: ISO 13485, AWS Certification, GFSI, SQF

Third-party audits already support enforcement in:

- Elevators (independent annual inspections)
- Welding (AWS-certified inspectors)
- Electrical work (licensing and inspection sign-off)

- Medical devices (ISO 13485 audits)
- Food safety (GFSI / SQF certification)

Benefit: Regulators conserve resources while compliance improves. Oversight is strengthened—not replaced.

Automotive — Standards, Certification, and Supply-Chain Control

References: IATF 16949, ISO 26262, SAE Standards

The automotive industry is a mature example of co-regulation. Safety and quality requirements are defined through ISO, SAE, and ANSI-aligned standards—not rewritten by regulators each time.

Manufacturers and suppliers:

- Undergo mandatory third-party audits
- Lose approved supplier status when noncompliant
- Cannot sell parts without certified facilities, processes, and training

Benefits:

- Enforcement shifts upstream
- Unsafe products never reach consumers
- Regulators rely on trusted standards

Cement & Concrete — Independent Verification for Public Safety

References: ASTM C150, ASTM C33, ACI Codes

Cement and concrete standards define:

- Material composition and performance
- Handling and installation safety
- Testing, sampling, and quality control

Plants, labs, and contractors undergo routine audits. Materials that fail testing are rejected outright.

State DOTs and OSHA rely on ASTM and ACI standards rather than testing every batch themselves.

Benefit: Public safety is ensured through industry-defined standards and independent verification.

Across forestry, fisheries, scaffolding, automotive, and cement, the same model works:

1. Standards are developed through consensus
2. Compliance is verified independently
3. Market or product access depends on meeting standards
4. Government enforces outcomes—with our focus on shop licensing, material access tied to compliance, and improved enforceability— this aligns within this proven model.

How Self-Regulation Directly Solves What SB 20 Could NOT

A credible ANSI-aligned self-regulatory program would:

- Define what a "licensed, compliant fabrication shop" means
- Establish standardized training and competency requirements
- Use third-party audits to supplement limited inspection capacity
- Support manufacturers and distributors in verifying compliance
- Provide Cal/OSHA enforceable, industry-backed benchmarks

This is co-regulation, not avoidance:

- Industry defines the standards
- Government oversees and enforces them

Path Forward

To succeed, the industry should:

1. Develop standards through ANSI Essential Requirements
2. Ensure balanced governance and input
3. Build credible training and auditing systems
4. Align with OSHA and the proposed SB 20 enforcement goals
5. Raise standards as adoption grows

Bottom Line

If the industry does not define what *safe, compliant, and responsible* looks like, someone else will—without practical operational insight.

Self-regulation done right is not weak.
It is disciplined. Transparent. Verifiable. And when grounded in ANSI and ISO frameworks, it sends a clear message: We take responsibility. We protect workers. We support enforcement. That is how industries earn trust—and shape their future rather than having it dictated for them.